

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTHERN WATER AND)
SEWER DISTRICT FOR AN ADJUSTMENT IN) CASE NO. 2012-00309
RATES PURSUANT TO THE ALTERNATIVE RATE)
FILING PROCEDURE FOR SMALL UTILITIES)

ORDER

Southern Water and Sewer District ("Southern District") has applied for an adjustment of its rates for water and sewer service pursuant to the procedures set forth in 807 KAR 5:076. Finding that further proceedings are necessary to determine the reasonableness of the proposed rates and that a procedural schedule should be established to ensure the orderly review of Southern District's application, the Commission HEREBY ORDERS that:

1. This proceeding is established to review the reasonableness of Southern District's proposed rates.¹
2. No later than November 1, 2012, Commission Staff shall file with the Commission and serve upon all parties of record a written report containing its findings and recommendations regarding Southern District's requested rate adjustment.
3. The parties shall file with the Commission their written comments on and any objections to the findings and recommendations contained in the Commission Staff

¹ No action is necessary to suspend the effective date of Southern District's proposed rates for water service. Pursuant to 807 KAR 5:076, Section 7(1), an applicant who applies for a rate adjustment pursuant to the procedures set forth in 807 KAR 5:076 may not place its proposed rates into effect until the Commission approves those rates or six months from the date of the filing of its application.

Report no later than November 15, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier. Any party may file with such submission any additional evidence for the Commission's consideration.

4. A party's failure to file written objections to a finding or recommendation contained in the Commission Staff Report by November 15, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier, shall be deemed as agreement with that finding or recommendation.

5. No later than November 15, 2012, or 14 days after the date of the filing of the Commission Staff Report, whichever occurs earlier, each party shall notify the Commission in writing whether this matter may be submitted for decision based upon the existing record without hearing.

6. Unless all parties request that this matter be submitted for decision upon the existing record, an informal conference shall be held in this matter on November 27, 2012 at 1:30 p.m., Eastern Standard Time, at the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky.

7. Unless all parties request that this matter be submitted for decision upon the existing record, a formal hearing in this matter shall be held in the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, at a date and time to be announced in a subsequent Order.

8. The acceptance of the findings and recommendations contained in the Commission Staff Report by all parties shall not preclude the Commission from conducting a hearing on the application, taking evidence on Southern District's

financial operations, or ordering rates that differ from or conflict with the findings and recommendations contained in the Commission Staff Report.

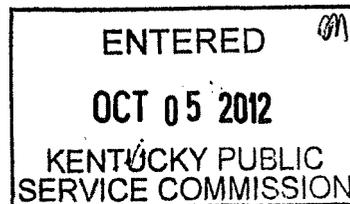
9. Each party shall file with the Commission, no later than December 3, 2012, a list of the persons it intends to call as witnesses at the scheduled hearing and a summary of each witness's testimony.

10. Southern District shall publish notice of the scheduled hearing in accordance with 807 KAR 5:076, Section 11, no more than 21 days and no less than seven days before the day of the scheduled hearing.

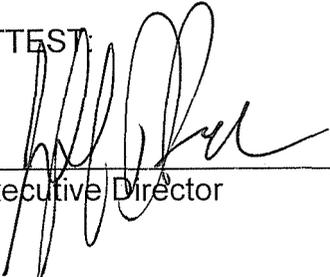
11. Pursuant to KRS 278.360, the record of the formal hearing in this matter shall be by videotape.

12. Commission Staff shall make a written exhibit list and shall file this list with the Commission with all exhibits entered into evidence at the hearing and a copy of the video transcript of the hearing.

By the Commission



ATTEST:



Executive Director

Hubert Halbert
Chairman
Southern Water & Sewer District
245 Kentucky Route 680
P. O. Box 610
McDowell, KY 41647